

# **SSI/SSP Overview**

## **Senate Budget Subcommittee 3**

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### **California Department of Social Services**

Will Lightbourne, Director

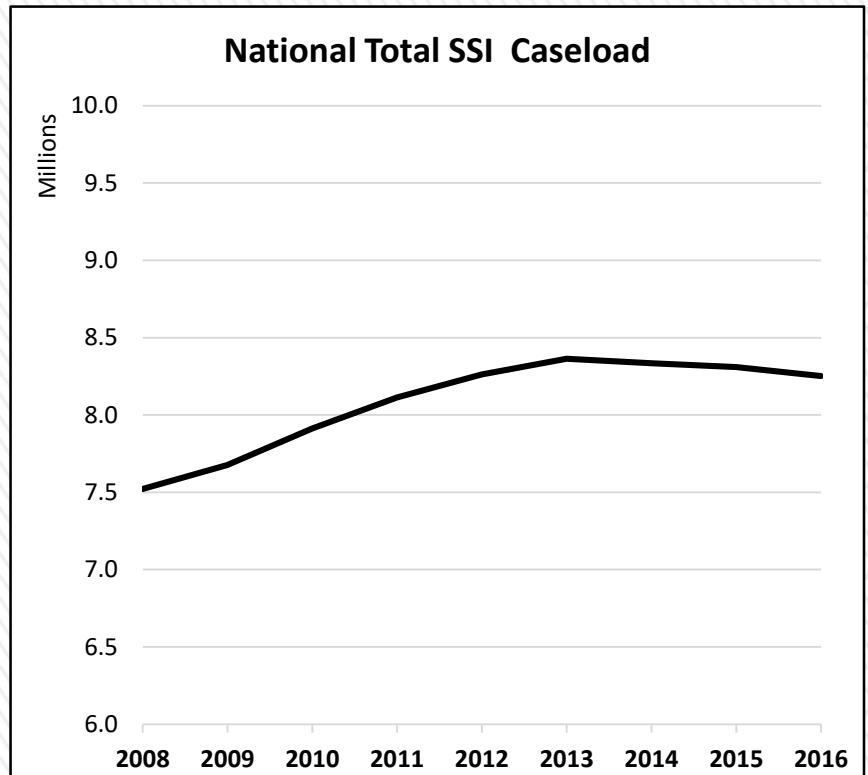
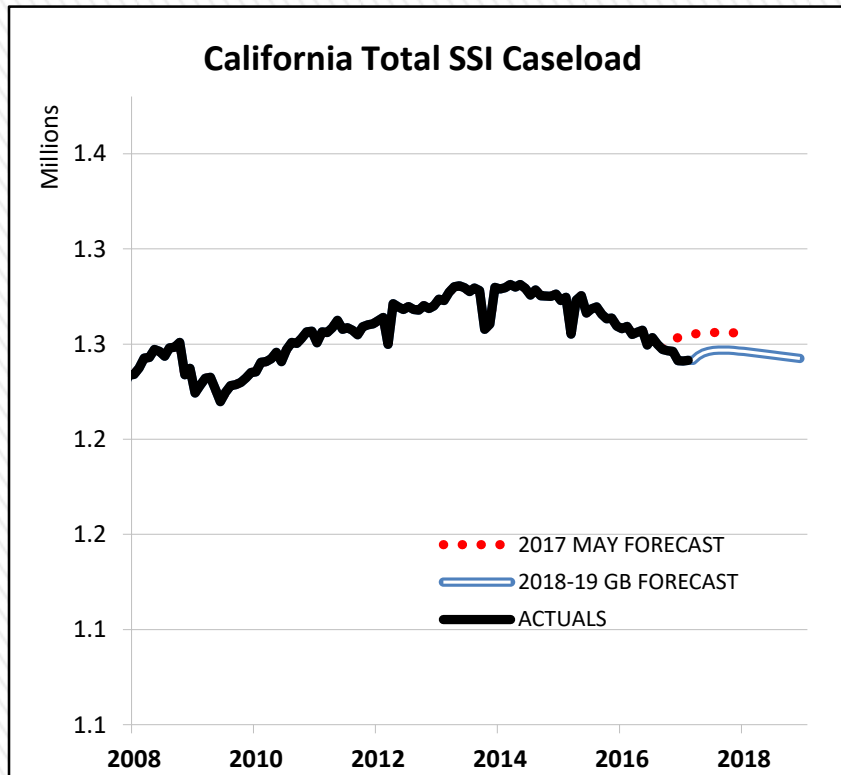
Debbi Thomson, Deputy Director



# **Supplemental Security Income/State Supplemental Payment (SSI/SSP)**

- SSI/SSP provides a monthly cash benefit to enable aged, blind, and disabled people to meet their basic living expenses.
- SSI is funded by the United States Treasury. SSP is funded by the State General Fund (GF).
- SSI/SSP serves approximately 1.3 million recipients in 20 categorical variations, such as independent single adult, or aged or disabled couple.

# SSI/SSP Caseload



The total SSI/SSP caseload is comprised of recipients who are aged, blind or disabled with Medi-Cal eligibility categorical codes.

# Possible Reasons for Slight Decline in SSI/SSP Caseload

- *Financial Stability:* The median income of Baby Boomers aged 55-64 is \$58,000 annually, which exceeds SSI/SSP eligibility standards.
- *Improvements in Medical Technology:* Advances in such medical procedures as joint replacement surgery and cataract surgery have reduced the need for disability benefits.
- *Healthy Behavior:* Low-salt and nonfat diets, regular exercise, advances in medications and a decline in smoking have enhanced or maintained healthier lifestyles as Baby Boomers age.
- *Socioeconomic Status* – Baby Boomers statistically have more education than previous generations; education is a predictor for reduction in disabilities.
- *Asset Limits* – SSI asset limits of \$2,000 for individuals and \$3,000 for couples prevent many from qualifying for SSI. These asset thresholds were last updated in 1989 – the only time they have increased since the inception of SSI in 1972. If SSI asset limits had been indexed to inflation since 1989, they would be about twice as high as they are today.

# SSI/SSP

## ➤ SSI/SSP Budget:

### Fiscal Year (FY) 2017-18

Estimated budget is \$10 billion (\$2.9 billion SSP portion)

### FY 2018-19

Estimated budget is \$10 billion (\$2.8 billion SSP portion)

The Social Security Administration administers SSI/SSP for the State. Effective October 2017, the administrative fee is \$11.87 per benefit issuance, funded 100 percent by General Fund.

Administration costs are estimated at \$184 million for FY 2017-18; \$189 million FY 2018-19.



# Maintenance of Effort (MOE)

To receive Medicaid reimbursement, states that provide an SSP payment must maintain that state's March 1983 payment level. To meet the ***Maintenance-of-Effort (also known as MOE, or pass-along)*** requirement, two methods are available:

1. ***Payment Levels Method***— The State may not lower its supplementary payment levels for any of its payment categories below their March 1983 levels.
2. ***Total Expenditures Method***— State expenditures for supplementary payments in the current calendar year must at least equal expenditures in the preceding calendar year. If expenditures are less in the current year (shortfall), the State must increase expenditures in the next calendar year by an amount at least equal to the shortfall without any penalties.

In 2017, 39 states, including California, used the **payment levels method**.

# Payment Standards

- Effective January 1, 2018, the maximum SSI/SSP monthly payment for Individuals for the most commonly used payment standard is \$910.72.
  - As of January 1, 2019, this amount is projected to increase to \$930.72.
- Effective January 1, 2018, the maximum SSI/SSP monthly payment for Couples for the most commonly used payment standard is \$1,532.14.
  - As of January 1, 2019, this amount is projected to increase to \$1,562.14.
- Average grants below for Individuals and Couples combined are based on actual data from July 2016 through June 2017:

			Total		
	<u>SSI</u>	<u>SSP</u>	<u>FY16-17</u>	<u>FY 17-18(est)</u>	<u>FY 18-19(est)</u>
Aged:	\$349.15	\$160.98	\$510.13	\$517.91	\$527.31
Blind:	\$456.72	\$205.97	\$662.69	\$672.76	\$684.87
Disabled:	\$502.53	\$158.78	\$661.31	\$672.27	\$685.17

Federal Cost of Living Adjustments (COLA) increase the SSI payments. State COLA increases the SSP payments. A federal (SSI) COLA of 2.0% took effect January 1, 2018. A federal (SSI) COLA of 2.6% is estimated to take effect January 1, 2019. No state (SSP) COLA for January 1, 2018.

# SSI/SSP and Federal Poverty

- January 2018 federal poverty guidelines:
  - \$1,012 per month for individuals
  - \$1,372 per month for couples
  
- SSI/SSP payment standard and poverty guidelines:
  - 2017 most common SSI/SSP maximum payment:

Individuals	\$ 895.72 :	89 percent of federal poverty guideline
Couples	\$ 1,510.14 :	111.6 percent of federal poverty guideline
  
  - 2018 most common SSI/SSP maximum payment:

Individual	\$ 910.72 :	90.0 percent of federal poverty guideline
Couples	\$ 1,532.14 :	111.7 percent of federal poverty guideline



# COLA History for Individuals

	SSI	SSP	TOTAL	COLA Pass-through/Suspension and Other reductions	
Jun-2008	\$637	\$251	\$888		<u>CNI COLA suspended</u>
<b>Jan-2009</b>	\$674	\$233	\$907	\$19	CPI COLA passed through at 5.8% and <u>CNI COLA suspended</u>
May-2009	\$674	\$196	\$870	-\$37	Withheld January CPI COLA
July-2009	\$674	\$176	\$850	-\$20	State SSP grant reduced by 2.3%
Nov-2009	\$674	\$171	\$845	-\$ 5	State SSP grant reduced for individuals only 0 .6%
Jan 2010	\$674	\$171	\$845	0	Negative CPI COLA held at 2009 level
Jan-2011	\$674	\$171	\$845	0	Negative CPI COLA held at 2010 level
<u><b>Jun-2011</b></u>	\$674	<b>\$156.40</b>	\$830.40	-\$14.60	<u><b>SSP MOE floor for individuals only</b></u>
Jan 2012	\$698	\$156.40	\$854.40	\$24	CPI COLA passed through at 3.6%
Jan 2013	\$710	\$156.40	\$866.40	\$12	CPI COLA passed through at 1.7%
Jan 2014	\$721	\$156.40	\$877.40	\$11	CPI COLA passed through at 1.5%
Jan 2015	\$733	\$156.40	\$889.40	\$ 12	CPI COLA passed through at 1.7%
Jan 2016	\$733	\$156.40	\$889.40	\$0	CPI COLA 0%
Jan 2017	\$735	\$160.72	\$895.72	\$6.32	CPI COLA passed through at 0.3%, CNI at 2.76%
Jan 2018	\$750	\$160.72	\$910.72	\$15	CPI COLA pass through at 2.0%

# COLA History for Couples

	SSI	SSP	TOTAL	COLA Pass-through/Suspension and Other reductions	
Jun-2008	\$956	\$568	\$1,524		CNI COLA at 3.7% provided
<b>Jan-2009</b>	\$1,011	\$568	\$1,579	\$55	CPI COLA passed through at 5.8%, <b><u>CNI COLA suspended</u></b>
May-2009	\$1,011	\$513	\$1,524	-\$55	Withheld January CPI COLA
July-2009	\$1,011	\$478	\$1,489	-\$35	State SSP grant reduced by 2.3%
<b><u>Nov-2009</u></b>	\$1,011	<b><u>\$396.20</u></b>	\$1,407.20	-\$81.80	<b><u>SSP MOE Floor for Couples Only</u></b>
Jan 2010	\$1,011	\$396.20	\$1,407.20	0	Negative CPI COLA held at 2009 level
Jan 2011	\$1,011	\$396.20	\$1,407.20	0	Negative CPI COLA held at 2010 level
Jan 2012	\$1,048	\$396.20	\$1,444.20	\$37	CPI COLA passed through at 3.6%
Jan 2013	\$1,066	\$396.20	\$1,462.20	\$18	CPI COLA passed through at 1.7%
Jan 2014	\$1,082	\$396.20	\$1,478.20	\$16	CPI COLA passed through at 1.5%
Jan 2015	\$1,100	\$396.20	\$1,496.20	\$18	CPI COLA passed through at 1.7%
Jan 2016	\$1,100	\$396.20	\$1,496.20	\$0	CPI COLA 0%
Jan 2017	\$1,103	\$407.14	\$1,510.14	\$13.94	CPI COLA passed through at 0.3%, CNI at 2.76%
Jan 2018	\$1,125	\$407.14	\$1,532.14	\$22	CPI COLA pass through at 2.0%

# SSI/SSP and CalFresh

California SSI/SSP recipients are **not** eligible for CalFresh benefits. Since 1974, a \$10 cash amount is included in the SSP benefit in lieu of CalFresh benefits.

- This arrangement is authorized in Federal law and is called the “supplemental nutrition assistance program cash-out program.”
- \$10 is the CalFresh amount most California recipients could have obtained in 1975 when the state’s cash-out status was approved in federal law.
- The CalFresh benefit is 100 percent federally-funded. However, administration costs are shared by the state.
- Undoing the cash-out policy would result in some households potentially receiving more resources, and others receiving less. Assumptions about actual CalFresh enrollment rates, administrative processes, and hold-harmless policies all impact cost estimates of such a policy change. A January 2018 report by the LAO discusses this issue in significant detail.